GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:327
ANSWERED ON:24.03.2017
Financing Methods
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Will the Minister of FINANCE be pleased to state:

(a) whether the Public Sector Banks are employing new methods of financing like ecosystem financing, aggregation financing, supply-chain financing and internet-based financing in line with evolving corporate trends and if so, the details thereof;

(b) whether the amount/percentage of Non-Performing Assets (NPAs) of banks has increased in 2016-17 vis-a-vis 2015-16 and if so, the details thereof, sector-wise including Micro, Small and Medium Industries and Agriculture; and

(c) the steps taken/being taken by the Government to recover NPAs?

Answer

THE FINANCE MINISTER

(a) to (c): A Statement is laid on the Table of the House.

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STATEMENT FOR LOK SABHA STARRED QUESTION NO.*327 FOR 24TH MARCH, 2017 REGARDING "FINANCING METHODS" TABLED BY SHRI ANANDRAO ADSUL AND SHRI RAM KUMAR SHARMA, MEMBERS OF PARLIAMENT.
(a) : Some Public Sector Banks (PSBs) offer innovative products related to supply chain and ecosystem finance such as Vendor Bill Discounting, Channel financing, Receivable Buyout with recourse that cater to firms in meeting their specific requirements. Prominent banks such as SBI have also entered into collaboration with e-commerce platforms such as Snapdeal to offer instant working capital loans to sellers.

Banks have also enabled web based applications for processing retail loan applications. Overdraft facilities against fixed deposits are also offered by PSBs to their customers.

(b) & (c): As on Dec 31, 2016, Gross Non Performing Assets (GNPAs) of Scheduled Commercial Banks (SCBs) stood at Rs 6.93 lakh crore (9.54%) against Rs 5.66 lakh crore (7.79%) as on March 31, 2016. Sector-wise classification of GNPAs is annexed.

The Government has taken sector specific measures (Infrastructure, Power, Road, Textiles, Steel etc.) where incidence of NPA is high. The Insolvency and Bankruptcy code (IBC) has been enacted and SARFAESI Act and the Recovery of Debts Due to Banks and Financial Institutions (RDDBFI) Act have been amended to improve resolution/recovery of bank loans. Six new Debt Recovery Tribunals (DRTs) have been established for improving recovery.

RBI has also taken a number of measures to improve the situation viz. Corporate Debt Restructuring (CDR), Formation of Joint Lenders' Forum (JLF), Flexible Structuring for long term project loans to Infrastructure and Core industries (5/25 Scheme), Strategic Debt Restructuring Scheme (SDR) and Sustainable Structuring of Stressed Assets (S4A).

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Annexure
Rs in crore
SECTORAL CLASSIFICATION OF GROSS NPAs FOR SCHEDULED COMMERCIAL BANKS (SCBs)

Retail		Priority Sector		Agriculture		MSME		Corporate Lending	
Year	GNPA	GNPA %	GNPA	GNPA %	GNPA	GNPA %	GNPA	GNPA %	GNPA	GNPA %
Mar-16	26,974.00	1.93	1,40,516.82	5.54	48,845.23	4.69	70,841.66	7.55	4,19,585.68	7.97
Dec-16	30,902.27	1.99	1,64,689.19	6.54	57,818.22	6.12	80,385.62	8.87	5,24,348.80	9.73

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